

0004



Klare Bachman
Executive Director
Department of Commerce

Olene S. Walker
Governor
State of Utah

Kathy Berg
Director
Division of Corporations
& Commercial Code

DAVID LAMAR PENNEY
PENNEY'S GEMSTONES LLC
2400 E 30 S
BEAVER UT 84713



State of Utah
Department of Commerce
Division of Corporations & Commercial Code

CERTIFICATE OF REGISTRATION

LLC - DOMESTIC

This certifies that **PENNEY'S GEMSTONES LLC** has been filed and approved on **5/23/2001** and has been issued the registration number **4925197-0160** in the office of the Division and hereby issues this Certification thereof.

A handwritten signature in cursive script that reads "Kathy Berg".

KATHY BERG
Division Director

FEB 02 2004

0004

New DOGM File No.: _____
Date Received: _____
Date Effective: _____

UTAH STATE DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

UTAH MINED LAND RECLAMATION ACT

Chapter 8, Title 40
Utah code Annotated
Amended 1987

TRANSFER OF NOTICE OF INTENTION
SMALL MINING OPERATIONS

SMALL MINING OPERATION

Name of Claim/Mine: Silver 1-2

File Number as Assigned by DOGM (Original Notice): S 010 1035

Legal Description (Location of Lands Affected): see file

1/4 1/4 1/4 Section Township Range County

1/4 1/4 1/4 Section Township Range County

Attach a topographic map (labeled as Appendix "A") of suitable scale (max. scale, 1 inch = 200 ft., 1 inch = 100 ft. preferred) which clearly outlines the existing disturbed area boundaries affected by the small mining operation through the date of this transfer.

CURRENT OPERATOR (Transferor)

Name of Company/Operator: David Penney/Penney's Gemstones

Address: 2400 East 30 South P.O. Box 312

City: Beaver State: UT Zip Code: 84713

Telephone Number: (435) 438-5522

Signature: [Signature]

Name (Type or Print) David Penney

Title/Position: Owner/Operator

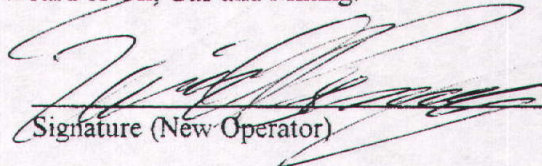
Date: 1/28/04

I hereby transfer the notice of intention and the reclamation obligation for the aforementioned small mining operation to: Penney's Gemstones LLC

NEW OPERATOR (Transferee)

Name of Company/Operator: Penney's Gemstones LLC
Address: 2400 East 30 South
City: Beaver State: UT Zip Code: 84713
Telephone Number: (435) 438-5522

I hereby commit to conduct mining operations and to reclaim the aforementioned small mining operation as required by the Utah Mined Land Reclamation Act (40-8) and Minerals Rules R647-3 et seq. as promulgated and approved by the Board of Oil, Gas and Mining.


Signature (New Operator)

David Penney
Name (Type or Print)

R.A. / President
Title/Position

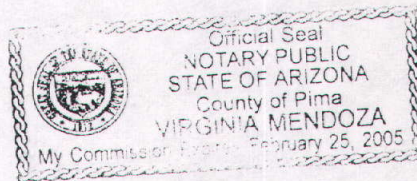
Subscribed and sworn before me this 30th day of January, 2004.

Virginia Mendoza
Notary Public

My Commission Expires:

Feb 25, 2005

State of AZ)
County of Pima) ss.



DIVISION APPROVAL CERTIFICATION

This is to certify that I have examined this application for transfer of the aforementioned small mining operation and do hereby grant approval of the same, subject to the following limitations:

- (a) This transfer of small mining permit grants only the right to affect the lands as legally described in this application.
- (b) The transferee, or such other person as required by UCA 1953, Title 40-8, as amended, has acquired the legal right to enter and mine the lands as described in this application.
- (c) A topographic map of suitable scale is attached (as Appendix "A") which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

COMMENTS:

APPROVED BY:

Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Effective Date: _____